



Overseas Workers Welfare Administration

OFW-EDLP

OFW-Enterprise Development and Loan Program

The OFW-EDLP

- enterprise development interventions and loan facility of the Overseas Workers Welfare Administration (OWWA) in partnership with the Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP)
- a package of enterprise development interventions and loan facility that aims to help OFWs and their families in the establishment of viable business enterprises that will provide them with steady income stream and create employment opportunities in their community.
- formerly known as the Php2Billion Pesos OFW-Reintegration Program.

COMPONENTS

- 1. Enterprise Development Interventions**
- 2. Loan Facility**

Enterprise Development Interventions

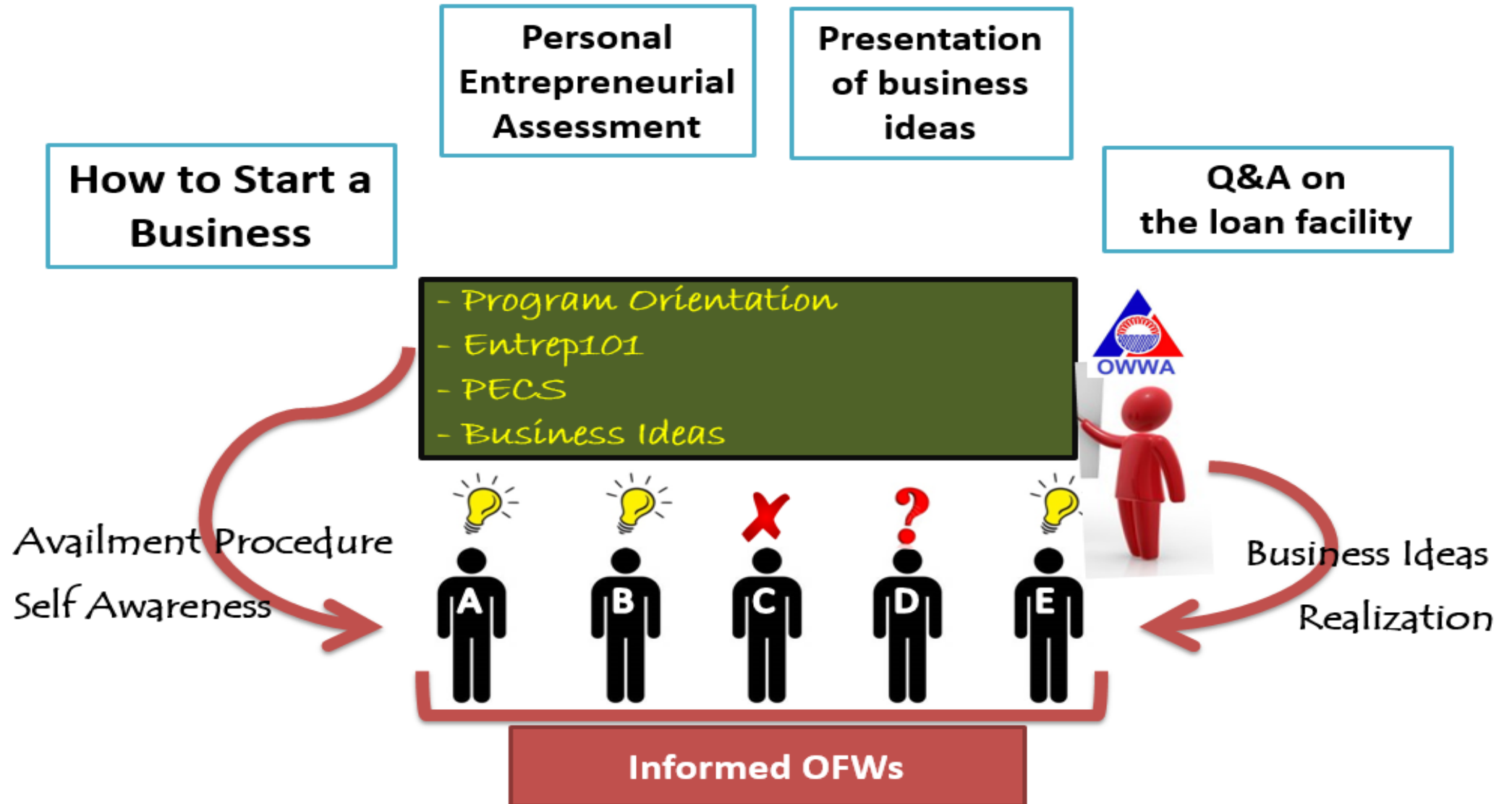


Entrepreneurial Preparatory Intervention for OFWs



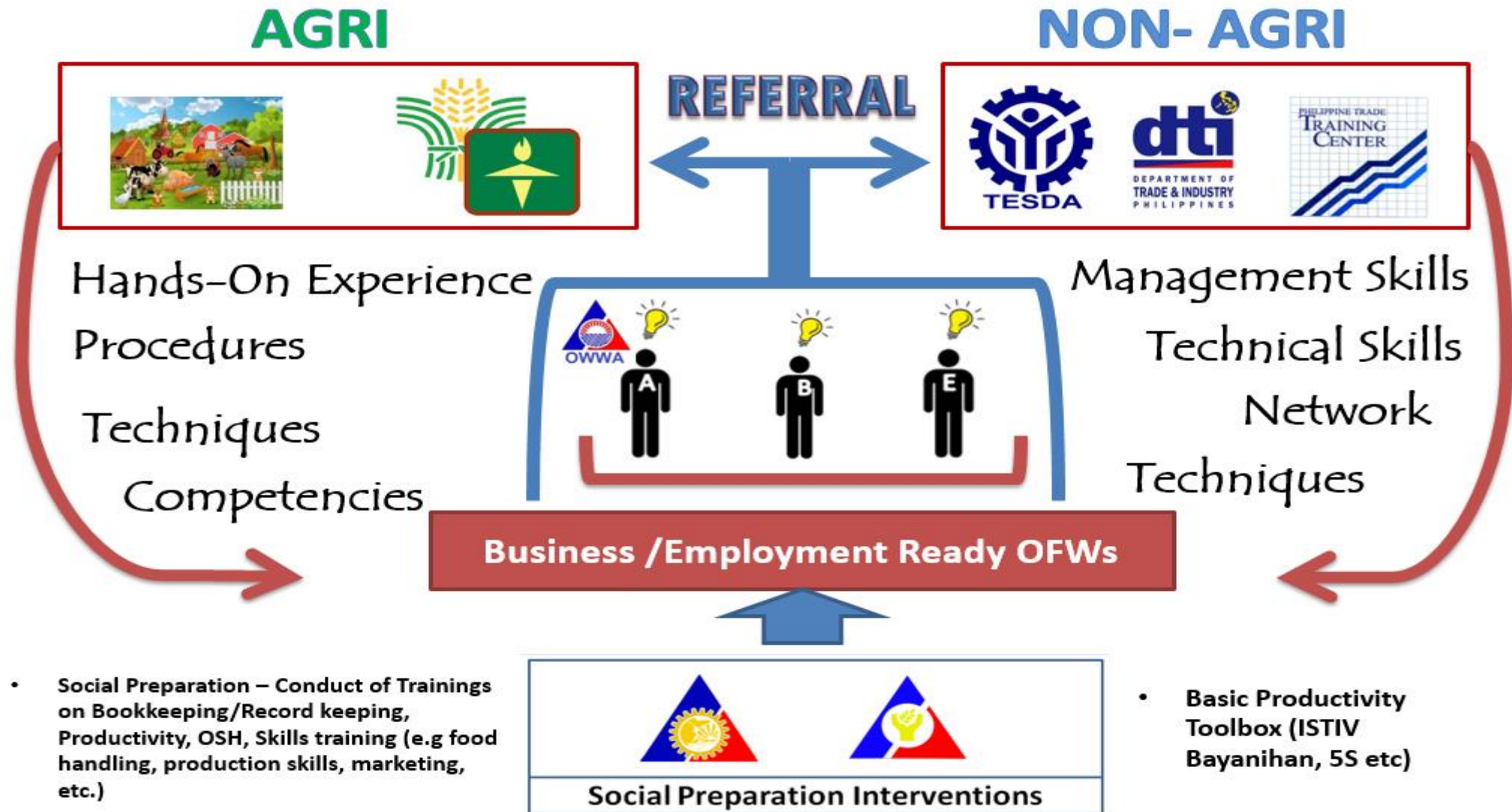
Enterprise Development Interventions

Phase 1: Program Orientation and Business Appreciation



Enterprise Development Interventions

Phase 2: Project-specific Training / Visit to Demo Farms / Immersion



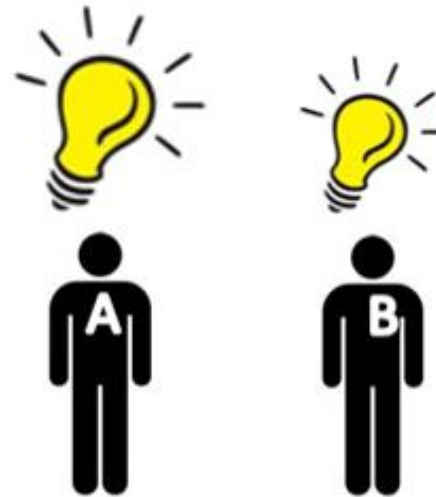
Phase 3: Business Plan Writing Seminar

How to prepare your business plan



Basic knowledge in preparing a business plan.

Prepare BP ready for submission to LBP/DBP, incorporating their learning from Phases 1, 2 and 3.



Loan Qualified OFWs

Loan Facility



Eligible Borrowers

- A. An OFW who is a certified OWWA Member, active or non-active, and has completed the Enhanced Entrepreneurial Development Training (EEDT).**

- B. OFWs who are working abroad may be represented by the following:**
 - a. If single, widow or widower; or separated-in-fact, by:**
 - i. Parents who are not more than sixty (60) years old upon maturity of loan; or**
 - ii. Children who are at least eighteen (18) years old at the time of loan availment.**

 - b. If married, by the legal spouse.**

C. If the OFW or his/her Attorney-in-fact is more than **60 years old upon loan maturity**, a **co-maker** of the loan shall be required. The co-maker may be the **sibling** or the **children** (of legal age).

D. OFW returnees may avail of the loan program **within three (3) years from the date of arrival to the Philippines**, except on cases where the OFW-applicant has an on-going business prior to the time of application.

E. **Only one (1) OFW per family**, within the first degree of consanguinity or affinity (parent, spouse, child), shall be eligible to apply under the program.

F. Group of OFWs who formed themselves into business entity, either as partnerships, corporations or cooperatives, and has **at least 3 years track record of profitable operations**, provided that all partners/stockholders/directors/ officers/ members are OFWs who have been certified as OWWA Members and have completed the EEDT.

Eligible Projects

- A. Franchising business;
- B. Contract tie-up with top 1000 corporations;
- C. Agri- and non-agri production/manufacturing with identified market linkage and raw material sources;
- D. Construction/rental business;
- E. Service/trading business;
- F. Transport service; or
- G. Any viable project whether existing or new, that should generate a net cash flow sufficient to pay the projected amortization of the loan (or resulting into debt service ratio of at least 1).

Eligible Loan Purposes

- A. Working Capital; or
- B. Fixed Asset Acquisition.

Project Cost Sharing

- A. Borrower's Equity – Minimum of 20% of the Total Project Cost
- B. Loan – Maximum of 80% of the TPC.

Loan Amount

A. For Individual Loan Borrowers (single proprietorship)

Minimum – Php100,000.00

Maximum – Php2,000,000.00

B. For Group Loan Borrowers (partnerships, corporations or cooperatives)

Minimum – Php100,000.00

Maximum – Php5,000,000.00

Interest Rate

7.5% per annum fixed for the duration of the loan.

Loan Repayment

- A. Short-Term Loan – maximum of one (1) year.
- B. Term Loan – based on cash flow but not to exceed seven (7) years, inclusive of maximum of two (2) years grace period.

Loan Security / Collateral

- A. The object of financing shall be required as loan security, as well as other documents as may be required by LBP/DBP in relation to business approval, such as:
 - a. Torrens Certificate of Title (TCT), Condominium Certificate of Title (CCT), Tax Declaration (TD) and plans on mortgageable assets of the borrower; or
 - b. Any loan security acceptable to the bank (OR/CR for Chattel Mortgage, Lease Rental Contract, Receivables, other Contract Agreements for the execution of the Deed of Assignment, Purchase Order, etc.)

Pre-Processing Requirements

- OWWA Certification that the borrower is a bonafide OWWA member
- Special Power of Attorney (SPA), if applicable (for those not in the Philippines, SPA must be duly authenticated by the Consul)
- Two valid IDs with signature
- Duly Filled-Out Application Form with SAL
- Business Plan (including Financial Projections, Source of Equity, List of Suppliers/Markets or Buyers and Contact Numbers)
- Barangay Certification as to residency in relation to given address
- Proof of Billing address
- Sketch of place of residence
- Other documents as maybe required by the LBP Legal Department and/or approving official in relation to the nature of business applied for.

Loan Evaluation, Packaging and Approval

- The LBP-LU shall evaluate the loan and project proposal based on the borrowers' creditworthiness and project viability in accordance with the LBP guidelines.
- The LBP-LU shall package the loan using the LBP's credit facilities proposal.
- Loan evaluation, packaging, and approval shall be completed within 45 working days upon receipt of complete loan requirements.

Thank you.